



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.lacounty.gov>

DAVID E. JANSSEN  
Chief Administrative Officer

Board of Supervisors  
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First District

YVONNE B. BURKE  
Second District

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Third District

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MICHAEL D. ANTONOVICH  
Fifth District

October 17, 2006

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR LEASE  
DEPARTMENT OF MENTAL HEALTH  
5321 VIA MARISOL, LOS ANGELES  
(FIRST DISTRICT) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve and instruct the Mayor to sign the attached five-year Lease with 1100 Edgewater, Inc., (Landlord) for the Department of Mental Health (DMH) to occupy 9,135 rentable square feet of office space and 18 parking spaces at 5321 Via Marisol, Los Angeles, at a maximum annual rental cost of \$202,797 which is fully funded with State and Federal funds, effective upon approval by your Board, but the term and rent will not commence until November 1, 2006.
2. Consider the attached Negative Declaration, together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Administrative Office (CAO) to complete and file a Certificate of Fee Exemption for the project.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to enter into a new Lease, whereby DMH can continue operating the Northeast Mental Health Center (NEMHC) at the subject facility for an additional five years. The current lease expired on October 14, 2005, and occupancy has continued on a month-to-month holdover basis. The NEMHC has been housed at this location since September 1983.

This action will help alleviate any disruptions or inconveniences for clients by maintaining continuity of outpatient services at a familiar location. Approximately 64 clients per day visit the NEMHC.

Although this space requirement was approved for 8,665 square feet and 33 parking spaces, the subject building can only provide 18 parking spaces, and it was determined the re-lease of the existing 9,135 square foot facility would be the most cost-effective option. CAO Real Estate staff is pursuing supplemental off-site parking.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Countywide Strategic Plan directs that we improve the well-being of children and families in Los Angeles County as measured by the achievements in the five outcome areas adopted by the Board: good health; economic well-being; safety and survival; social and emotional well-being; and educational/workforce readiness (Goal 5). Compliance with the County's Strategic Asset Management Principles is further outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The maximum annual rental cost for the proposed lease is \$202,797.

<b>5321 Via Marisol, Los Angeles</b>	<b>Existing Lease</b>	<b>Proposed New Lease</b>	<b>Change</b>
<b>Term</b>	Currently month-to-month	Five Years (11/1/06 to 10/31/11)	+ 5 years
<b>Total Area</b>	9,135 sq. ft.	9,135 sq. ft.	None.
<b>Parking Spaces</b>	18	18	None.
<b>Annual Rent</b>	\$172,796 (\$18.91 per sq. ft.)	\$202,797 (\$22.20 per sq. ft.)	+\$30,001 +(\$3.29 per sq. ft.)
<b>Cancellation</b>	County may cancel anytime with three months notice	County may cancel anytime after the 30 <sup>th</sup> month with four months notice	After the 30 <sup>th</sup> month with four months notice
<b>Option to Renew</b>	One three-year option at the prevailing terms	One five-year option at 95% of fair market rent	One five-year option at 95% of fair market rent
<b>Rental Adjustment</b>	Annual CPI with 4% cap	Annual CPI with min. of 3% and max. of 6%	Min. of 3% and max. of 6%

Sufficient funding for the proposed lease is included in the 2006-07 Rent Expense Budget and will be billed back to DMH. DMH has allocated sufficient funds in its 2006-07 operating budget to cover the projected lease costs. The costs associated with the proposed lease are fully funded with State and Federal funds.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The proposed facility will house the NEMHC and 31 staff for an additional five years. The terms of the proposed lease are as follows:

- The term commences November 1, 2006, and expires on October 31, 2011.
- This is a modified-gross lease agreement whereby the landlord is responsible for all operating costs associated with the County's tenancy except janitorial services.
- There is a cancellation provision allowing the County to cancel anytime after the 30<sup>th</sup> month upon four months advance notice to the Landlord.

- The rent shall be adjusted annually based on changes in the Consumer Price Index with a minimum annual adjustment of three percent and a maximum annual adjustment of six percent.
- As part of the base rent, the Landlord shall complete refurbishment work entailing new paint and carpet.
- There is an option to renew this lease for an additional five-year period, subject to Board approval, by giving the Landlord two months prior written notice. Upon renewal, the new rental rate will be 95 percent of the fair market rent for the area, and all other original terms of the lease will prevail.

CAO Real Estate staff was unable to identify any existing County facilities in the area that could accommodate this requirement. Attachment B shows all County-owned and leased facilities within the surrounding Northeast Los Angeles area and there are none available. DMH and CAO Real Estate staff have determined that current departmental budget constraints are unable to support the costs to relocate this program to a non-County facility, so renewal of the existing lease is the most cost effective option. Relocation to other non-County facilities was not pursued.

Based upon a survey of similar properties within the specified area, CAO Real Estate staff has determined that the rental range including parking for a modified gross service lease is between \$21.00 and \$26.40 per square foot per year. Thus, the proposed annual rent of \$22.20 per square foot is within the fair market rent for the area.

The Department of Public Works has inspected the subject facility and found it suitable for the County's occupancy under a lease.

The proposed lease is exempt from Real Estate Management Commission review.

The subject facility is not suitable to support an on-site child care facility.

**ENVIRONMENTAL DOCUMENTATION**

The CAO has made an initial study of environmental factors and has concluded that this Project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared and a notice posted at the site as required by the California Environmental Quality Act (CEQA) and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received. A fee must be paid to the State Department of Fish and Game when certain notices are filed with the Registrar-Recorder/County Clerk. The County is exempt from paying this fee when your Board finds that a project will have no impact on wildlife resources.

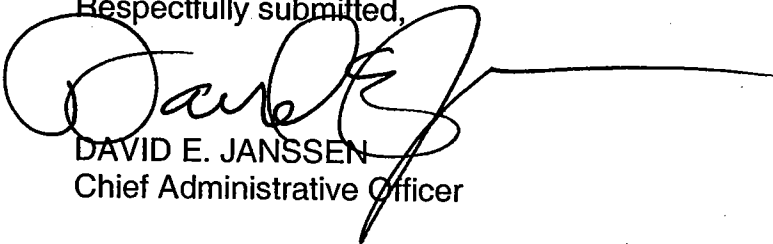
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease will provide the necessary office space for this County requirement. In accordance with your Board's policy on the housing of any County offices or activities, DMH concurs with this recommendation.

**CONCLUSION**

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed lease and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read 'David E. Janssen', with a long horizontal line extending to the right.

DAVID E. JANSSEN  
Chief Administrative Officer

DEJ:WLD  
CEM:KW:hd  
Attachments (3)

c: County Counsel  
Department of Mental Health

**DEPARTMENT OF MENTAL HEALTH**  
**5321 VIA MARISOL, LOS ANGELES**  
 Asset Management Principles Compliance Form<sup>1</sup>

<b>1.</b>	<b>Occupancy</b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>			<b>X</b>
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	<b>X</b>		
	C	Does this lease centralize business support functions? <sup>2</sup>			<b>X</b>
	D	Does this lease meet the guideline of 250 sq. ft. of space per person? <sup>2</sup> <b>Lease represents 294 sf per person. Excess due to clinical use.</b>		<b>X</b>	
<b>2.</b>	<b>Capital</b>				
	A	Is it a substantial net County cost (NCC) program?		<b>X</b>	
	B	Is this a long term County program?	<b>X</b>		
	C	If yes to 2 A or B; capital lease or operating lease with option to buy?		<b>X</b>	
	D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>X</b>
	F	Is Building Description Report attached as Attachment B?	<b>X</b>		
	G	Was build-to-suit or capital project considered? <b>Build-to-suit and capital projects are not viable for projects of this size.</b>		<b>X</b>	
<b>3.</b>	<b>Portfolio Management</b>				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	<b>X</b>		
	B	Was the space need justified?	<b>X</b>		
	C	If a renewal lease, was co-location with other County departments considered?	<b>X</b>		
	D	Why was this program not co-located?			
		1. The program clientele requires a "stand alone" facility.			
		2. <b>X</b> No suitable County occupied properties in project area.			
		3. <b>X</b> No County-owned facilities available for the project.			
		4. Could not get City clearance or approval.			
		5. The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup> <b>Landlord is responsible for all operating expenses, except janitorial. Landlord is unwilling to provide janitorial.</b>		<b>X</b>	
	F	Has growth projection been considered in space request?	<b>X</b>		
	G	Has the Dept. of Public Works completed seismic review/approval?	<b>X</b>		
		<sup>1</sup> As approved by the Board of Supervisors 11/17/98			
		<sup>2</sup> If not, why not?	Please <b>bold</b> any written responses		

## ATTACHMENT B

**DEPARTMENT OF MENTAL HEALTH  
SPACE SEARCH - 5 MILE RADIUS FROM 5321 VIA MARISOL, LOS ANGELES**

LACO	FACILITY NAME	ADDRESS	GROSS SQ. FT.	NET SQ. FT.	OWNERSHIP	AVAILABLE SQ. FT.
A481	DPSS-GLENDALE FAMILY SERVICE CENTER	4680 SAN FERNANDO RD, GLENDALE 91204	80000	70420	LEASED	NONE
4295	DHS-GLENDALE HEALTH CENTER	501 N. GLENDALE AVE, GLENDALE 91206	15217	8043	OWNED	NONE
4104	GLENDALE COURTHOUSE	600 E. BROADWAY, GLENDALE 91205	69071	31547	OWNED	NONE
5397	PASADENA COURTHOUSE	300 E. WALNUT ST, PASADENA 91101	288638	104855	FINANCED	NONE
A043	DA / BOARD OF SUPERVISORS	215 N. MARENGO AVE, PASADENA 91101	4624	3907	LEASED	NONE
A215	ALT PUBLIC DEFENDER	221 E. WALNUT ST, PASADENA 91101	3200	2960	LEASED	NONE
A426	DCFS-REGION V	532 E. COLORADO BL, PASADENA 91101	75235	70721	LEASED	NONE
5805	MENTAL HEALTH COURTHOUSE	1150 N. SAN FERNANDO RD, LOS ANGELES	28523	16817	OWNED	NONE
C760	DPSS-EAST LA GROW	2200 N. HUMBOLDT ST, LOS ANGELES 90031	23655	17554	LEASED	NONE
C269	DPSS-LINCOLN HEIGHTS DISTRICT OFFICE	4077 N. MISSION RD, LOS ANGELES 90032	26000	18575	LEASED	NONE
A539	MENTAL HEALTH-COURT PROGRAM	1499 HUNTINGTON DR, SOUTH PASADENA	4210	4000	LEASED	NONE
B382	MENTAL HEALTH-NORTHEAST MENTAL HEALTH CENTER	5321 VIA MARISOL, LOS ANGELES 90042	9135	5808	LEASED	NONE
0122	THOMAS A TIDEMANSON PUBLIC WORKS BUILDING	900 S. FREMONT AVE, ALHAMBRA 91803	43500	36975	FINANCED	NONE
A471	ALHAMBRA COMPLEX -EAST TOWER	1000 S. FREMONT AVE, ALHAMBRA 91803	194140	166444	LEASED	NONE
A473	ALHAMBRA COMPLEX-SHERIFFS	1000 S. FREMONT AVE, ALHAMBRA 91803	3774	3265	LEASED	NONE
X900	THOMAS A TIDEMANSON PUBLIC WORKS BUILDING	900 S. FREMONT AVE, ALHAMBRA 91803	536168	363876	FINANCED	NONE
X327	PROBATION-CENTRAL TRANSCRIBING	200 W WOODWARD AVE, ALHAMBRA 91801	11273	7360	OWNED	NONE
5883	ALHAMBRA COURTHOUSE	150 W COMMONWEALTH AVE, ALHAMBRA 91801	111727	60233	FINANCED	NONE
5460	SAN GABRIEL LIBRARY	500 S. DEL MAR AVE, SAN GABRIEL 91776	13718	11190	OWNED	NONE
0155	STANLEY MOSK COURTHOUSE	111 N. HILL ST, LOS ANGELES 90012	794459	441761	OWNED	NONE
0181	KENNETH HAHN HALL OF ADMIN	500 W TEMPLE ST, LOS ANGELES 90012	958090	591457	FINANCED	2402
3155	PERFORMING ARTS CENTER	301 N. GRAND AVE, LOS ANGELES 90012	27582	17978	OWNED	NONE
5456	HEALTH SERVICES ADMIN BUILDING	313 N. FIGUEROA ST, LOS ANGELES 90012	221359	134851	OWNED	NONE
A159	DA-FIGUEROA PLAZA	201 N. FIGUEROA ST, LOS ANGELES 90012	87810	83420	LEASED	NONE
A429	CAO-REAL ESTATE	222 S. HILL ST, LOS ANGELES 90012	29013	26082	LEASED	NONE
A442	MENTAL HEALTH / LAPD SMART TEAM	419 S. SPRING ST, LOS ANGELES 90013	1000	1000	GRATIS USE	NONE

A627	COUNTY COUNSEL	350 S. FIGUEROA ST, LOS ANGELES 90071	14832	14090	LEASED	NONE
A632	PUBLIC DEFENDER	312 S. HILL ST, LOS ANGELES 90012	9782	9293	LEASED	NONE
0156	HALL OF RECORDS	320 W. TEMPLE ST, LOS ANGELES 90012	438095	258677	OWNED	NONE
3154	CLARA SHORTRIDGE FOLTZ CRIMINAL JUSTICE CENTER	210 W. TEMPLE ST, LOS ANGELES 90012	1036283	399535	FINANCED	NONE
5979	CENTRAL ARRAIGNMENT COURTHOUSE	429 BAUCHET ST, LOS ANGELES 90012	83692	30638	FINANCED	NONE
C863	MED CTR-PATIENT FINANCIAL SERVICES OFFICE	1910 N MAIN ST, LOS ANGELES 90031	13300	8919	LEASED	NONE
5260	CORONER- ADMINISTRATION / INVESTIGATIONS BLDG	1102 N MISSION RD, LOS ANGELES 90033	22479	14251	OWNED	NONE
6483	MED CTR-MASONRY SHOP OFFICE - BUILDING 100	1739 GRIFFIN AVE, LOS ANGELES 90031	1040	950	OWNED	NONE
5509	MED CTR-ANNEX 1/ MASONRY SHOP OFFICE	1200 N STATE ST, LOS ANGELES 90033	910	736	OWNED	NONE
5510	MED CTR-ANNEX 2/ VOLUNTEERS' OFFICE & STORAGE	1200 N STATE ST, LOS ANGELES 90033	910	831	OWNED	NONE
5699	MED CTR- CHAPLAIN'S CENTER	1200 N STATE ST, LOS ANGELES 90033	1940	1454	OWNED	NONE
T539	MED CTR-CLINICAL RESEARCH TRAILER	1200 N STATE ST, LOS ANGELES 90033	780	672	OWNED	NONE
T620	MED CTR- EMERGENCY MEDICAL SVCS TRAILER T-18	1200 N STATE ST, LOS ANGELES 90033	1200	1049	OWNED	NONE
0135	MED CTR- GARDENER'S OFFICE/STORAGE BUILDING	1200 N STATE ST, LOS ANGELES 90033	612	530	OWNED	NONE
T541	MED CTR-HOME CARE TRAILER T-4	1200 N STATE ST, LOS ANGELES 90033	1376	1223	OWNED	NONE
T226	MED CTR-LOCAL WORKER HIRING PROGRAM BLDG 304	1200 N STATE ST, LOS ANGELES 90033	1440	1200	PERMIT	NONE
0808	MED CTR-OLD ADMINISTRATION BUILDING (UNUSED)	1100 N MISSION RD, LOS ANGELES 90033	18651	11430	OWNED	11430
T547	MED CTR-PATIENT FINANCIAL SERVICES T-15	1240 N MISSION RD, LOS ANGELES 90033	2588	1967	OWNED	NONE
T555	MED CTR-PATIENT FINANCIAL SERVICES T-17	1200 N STATE ST, LOS ANGELES 90033	4661	3482	OWNED	NONE
T542	MED CTR-PATIENT FINANCIAL SERVICES T-5	1200 N STATE ST, LOS ANGELES 90033	10512	7872	OWNED	NONE
T556	MED CTR-PATIENT FINANCIAL SERVICES TRAILER	1200 N STATE ST, LOS ANGELES 90033	2973	2461	OWNED	NONE
T546	MED CTR-PATIENT FINANCIAL SVCS OFFICE T-16	1240 N MISSION RD, LOS ANGELES 90033	5190	4095	OWNED	NONE
0837	MED CTR- PERSONNEL OFFICE BUILDING	1200 N STATE ST, LOS ANGELES 90033	2980	1761	OWNED	NONE
0838	MED CTR-QUALITY ASSURANCE UTILIZATIO REVIEW	1200 N STATE ST, LOS ANGELES 90033	2980	2341	OWNED	NONE
T544	MED CTR-QUAL ASSUR/UTIL REVIEW	1200 N STATE ST, LOS ANGELES 90033	4334	3629	OWNED	NONE
T618	MED CTR-PROJECT OFFICE	1200 N STATE ST, LOS ANGELES 90033	944	785	OWNED	NONE



T619	MED CTR-RESEARCH COMMITTEE OFFICE TRAILR T-25	1200 N STATE ST, LOS ANGELES 90033	820	702	OWNED	NONE
T543	MED CTR-RESEARCH COMMITTEE TRAILER	1200 N STATE ST, LOS ANGELES 90033	384	330	OWNED	NONE
6496	MED CTR-TRANSPORTATION BUILDING	1830 GRIFFIN AVE, LOS ANGELES 90033	1050	940	OWNED	NONE
3100	EASTLAKE JUVENILE COURT-1	1601 EASTLAKE AVE, LOS ANGELES 90033	47379	26024	OWNED	NONE
3102	JUVENILE HALL-ADMINISTRATION BUILDING-4	1605 EASTLAKE AVE, LOS ANGELES 90033	75907	33945	OWNED	NONE
4799	PW CENTRAL YARD-DIVISION ADMINISTRATION	1525 ALCAZAR ST, LOS ANGELES 90033	10438	7224	OWNED	NONE
C110	MED CTR-EXPENDITURE MANAGEMENT	2064 MARENGO ST, LOS ANGELES 90033	9602	7010	LEASED	NONE
C111	MED CTR-EXPENDITURE MANAGEMENT ANNEX	1063 N CHICAGO ST, LOS ANGELES 90033	3338	1823	LEASED	NONE
4946	MED CTR-INTERNS & RESIDENTS BUILDING	2020 ZONAL AVE, LOS ANGELES 90033	142448	79494	OWNED	NONE
X294	PW CENTRAL YARD-SHOP OFFICE BLDG	2275 ALCAZAR ST, LOS ANGELES 90033	1400	1260	OWNED	NONE
1491	DHS-CREMATORY OFFICE/RESIDENCE	3301 E 1ST ST, LOS ANGELES 90063	1517	1106	OWNED	NONE
Y307	PUBLIC LIBRARY-CITY TERRACE LIBRARY	4025 E CITY TERRACE DR, EAST LOS ANGELES 90063	8007	6984	OWNED	NONE
4526	BISCAILUZ-ADMINISTRATION BUILDING	1060 N EASTERN AVE, LOS ANGELES 90063	16571	11428	OWNED	NONE
4231	BISCAILUZ-TRAINING/INTELLIGENCE FACILITY	1060 N EASTERN AVE, LOS ANGELES 90063	1660	1372	OWNED	NONE
6131	DCSS-EAST LOS ANGELES SERVICE CENTER	133 N SUNOL DR, EAST LOS ANGELES 90063	28514	21777	OWNED	NONE
X707	PUBLIC LIBRARY-ANTHONY QUINN LIBRARY	3965 CESAR E CHAVEZ AVE, CITY TERRACE 90063	7275	6077	OWNED	NONE
A930	PUBLIC LIBRARY-EL CAMINO REAL LIBRARY	4264 E WHITTIER BLVD, EAST LOS ANGELES 90023	3280	2563	OWNED	NONE
X201	EDMUND D EDELMAN CHILDREN'S COURT	201 CENTRE PLAZA DR, MONTEREY PARK 91754	275530	181958	FINANCED	NONE
A423	SHERIFF-PERSONNEL AND RECRUITMENT CENTER	101 CENTRE PLAZA DR, MONTEREY PARK 91754	37590	33831	LEASED	NONE
3542	FIRE-ADMINISTRATIVE HEADQUARTERS BUILDING	1320 N EASTERN AVE, LOS ANGELES 90063-3294	39015	24288	FINANCED	NONE
X155	ISD-EASTERN AVE COMPLEX TELECOM BUTLER BLDG	1112 N EASTERN AVE, LOS ANGELES 90063	4960	4638	OWNED	NONE
5863	ISD-ADMIN HEADQUARTERS	1100 N EASTERN AVE, LOS ANGELES 90063	80309	58826	FINANCED	NONE
5870	ISD-EASTERN AVE COMPLEX TELECOM BRANCH BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	37742	28973	FINANCED	NONE
T590	ISD-EASTERN AVE TELECOM CUSTOMER SERVICE BLDG	1110 N EASTERN AVE, LOS ANGELES 90063	1224	1016	GRATIS USE	NONE

T061	ISD-EASTERN COMPLEX PROJECT MANAGEMENT TRAILR	1100 N EASTERN AVE, LOS ANGELES 90063	7200	6840	LEASED	NONE
T039	SHERIFF-EASTERN COMPLEX FLEET SERVICES OFFICE	1104 N EASTERN AVE, LOS ANGELES 90063	1548	1428	OWNED	NONE
2130	PW ROAD-DIV #142 MAINTENANCE YARD OFFICE	4304 EUGENE ST, EAST LOS ANGELES 90022	397	227	OWNED	NONE
X167	SHERMAN BLOCK SHERIFF'S HEADQUARTERS BUILDING	4700 W RAMONA BLVD, MONTEREY PARK 91754	125000	106250	FINANCED	NONE
A015	DC&FS-CORPORATE PLACE MONTEREY PARK OFFICE	2525 CORPORATE PL, MONTEREY PARK 91754	29542	27820	LEASED	NONE
A324	FIRE-EMPLOYEE RELATIONS OFFICE	1255 CORPORATE CENTER DR, MONTEREY PARK 91754	3079	2925	LEASED	NONE
Y135	CENTRO MARAVILLA SERVICE CENTER- BLDG B	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	3612	1948	OWNED	NONE
Y136	CENTRO MARAVILLA SERVICE CENTER- BLDG C	4716 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	4073	3112	OWNED	NONE
T509	PARKS & REC- PROPOSITION A FIELD OFFICE	4914 CESAR E CHAVEZ AVE, EAST LOS ANGELES 90022	540	424	OWNED	NONE
3241	EAST LOS ANGELES COURTHOUSE	214 S FETTERLY AVE, EAST LOS ANGELES 90022	126972	63347	FINANCED	NONE
4364	PROBATION-EAST LOS ANGELES AREA OFFICE	144 S FETTERLY AVE, EAST LOS ANGELES 90022	15584	11327	OWNED	NONE
5412	PUBLIC LIBRARY-OLD EAST LOS ANGELES LIBRARY	4801 E 3RD ST, EAST LOS ANGELES 90022	14848	11740	OWNED	NONE

# ORIGINAL FILED

SEP 13 2006

LOS ANGELES, COUNTY CLERK DATE POSTED – September 13, 2006

## NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles  
Chief Administrative Office
2. Address/Phone No. - 222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  

<u>Agent</u>	<u>Telephone</u>
Kevin Webb	(213) 974-4170
3. Date Information Form Submitted – September 13, 2006
4. Agency Requiring Information Form - Los Angeles County  
Chief Administrative Office
5. Name of Proposal, if Applicable -
6. Address of Facility Involved – 5321 Via Marisol  
Los Angeles, CA 90042

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado, para asistencia en obtener una traduccion.

**ORIGINAL FILED**

**COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE**

SEP 13 2006

**NEGATIVE DECLARATION**

**LOS ANGELES, COUNTY CLERK**

**I. Location and Description of the Project**

The proposed project is for the County of Los Angeles to lease facilities at 5321 Via Marisol, Los Angeles, California, which will be used by the Department of Mental Health for clinical purposes. The facilities, located in the First Supervisorial District approximately 4 miles from the Los Angeles Civic Center, include 9,135 square feet of office space. The County shall have use of 18 off-street parking spaces for Mental Health staff and ample parking for visitors. The Landlord has no expansion plans beyond the scope of this project.

**II. Finding of No Significant Effect**

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

**III. Mitigation Measures**

None required.

## NEGATIVE DECLARATION

Department Name: Mental Health  
Project: Los Angeles Northeast Mental Health Center

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. Description of Project

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Department of Mental Health as a mental health services center.

2. a. Location of Project (plot plan attached)

5321 Via Marisol  
Los Angeles, CA 90042

b. Name of Project Proponent

County of Los Angeles  
Chief Administrative Office  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, CA 90012

3. Finding for Negative Declaration

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated September 13, 2006 which constitutes the Initial Study of this project.

4. Initial Study

An Initial Study leading to this Negative Declaration has been prepared by the Chief Administrative Office and is attached hereto.

5. Mitigation Measures Included in Project

None required.

Date  
August 29, 2006

Real Property Agent  
Kevin Webb

Telephone  
(213) 974-4170

## **INITIAL STUDY**

### **I. Location and Description of Project**

These proposed leased premises are located at 5321 Via Marisol, Los Angeles, located in the First Supervisorial District approximately 4 miles north of the Los Angeles Civic Center and 1 mile east of the 110 Harbor freeway. (See attached map)

The building to be used is owned by 1100 Edgewater, Inc. and is intended for use as office/medical space. Located at the site are 18 exclusive off-street parking spaces for the County's use and ample public parking located on the surface streets surrounding the area.

This project consists of leasing this facility for 5 years in which will be located the Department of Mental Health Northeast Mental Health Center. It is anticipated that an average of 25-31 employees will be occupying the premises with the maximum employee occupancy anticipated to be 31 per day. In addition to the employees, it is anticipated that an average of 65 members of the public will be visiting the facility, daily, to receive individual and group mental health services. No expansion of existing premises will occur for this project and no alterations, except for interior furnishings, will be performed for this project.

### **II. Compatibility with General Plan**

This project site is currently designated as commercial office use in the City of Los Angeles General Plan and zoned LARD1.5. The proposed project would be consistent with these designations.

### **III. Environmental Setting**

The project site is located in an area of residential, retail and commercial type facilities. The site includes approximately 9,135 square feet of developed property. The site is bordered by Monterey Road on the west side, Avenue 60 on the north side, Hellman Avenue on the east side and Pullman Street on the south side.

### **IV. Identification of Environmental Effects**

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines will be necessary.
- B. The project will not conflict with adopted environmental plans and goals of the City of Los Angeles.

- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.
- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for mental health purposes. The County's use is in conformance with uses approved by the City of Los Angeles.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's use of the premises.

- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.
- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

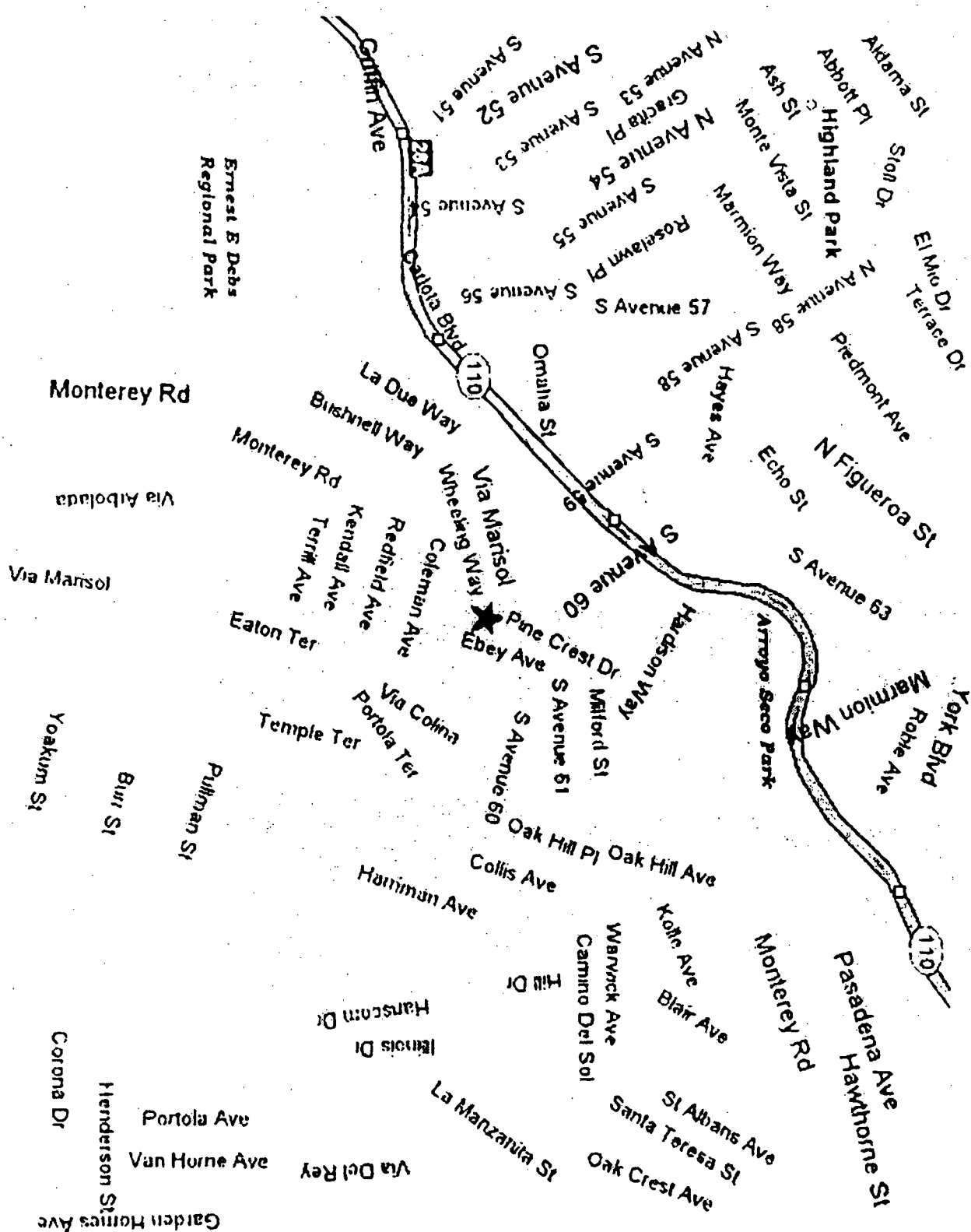
The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Kevin Webb of the Los Angeles County Chief Administrative Office, Real Estate Division. This study was completed on September 13, 2006.





**COUNTY OF LOS ANGELES**  
**CHIEF ADMINISTRATIVE OFFICE**  
**LEASE AGREEMENT**

**DEPARTMENT: Mental Health, as Tenant**

**LANDLORD: 1100 Edgewater, Inc., a California Corporation**

**[ 5321 Via Marisol, Los Angeles ]**

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COUNTY OF LOS ANGELES  
CHIEF ADMINISTRATIVE OFFICE  
LEASE AGREEMENT

THIS LEASE AND AGREEMENT (the "Lease") is made and entered into in duplicate original as of the \_\_\_\_\_ day of \_\_\_\_\_, 2006 by and between 1100 EDGEWATER, INC., a California corporation ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease:

(a) Landlord's Address for Notice: 1100 Edgewater, Inc.  
Attn: Henry Danpour  
1281 Westwood Blvd #210  
Los Angeles, CA 90024

(b) Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

(c) Premises: Approximately 9,135 rentable square feet comprising the entire Building (defined below).

(d) Building: The building located at 5321 Via Marisol, Los Angeles which is located upon the real property currently assessed by the County Assessor as APN 5301-011-034 (the "Property").

- (e) Term: Five years commencing on November 1, 2006; and terminating at midnight on the day before the Fifth anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- (f) Projected Commencement Date: November 1, 2006
- (g) Commencement Date: November 1, 2006
- (h) Irrevocable Offer Expiration Date: December 1, 2006
- (i) Base Rent: \$16,899.75 per month (which is based upon a rental rate of \$1.85 per rentable square foot) adjustable only as provided in Section 5 hereof.
- (j) Early Termination Notice Date: Anytime after the 30<sup>th</sup> month of the Lease Term
- (k) Rentable Square Feet in the Premises: 9,135
- (l) Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- (m) Initial Departmental Use: Mental Health
- (n) Parking Spaces: 18
- (o) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday and 9:00 a.m. to 2:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed).

(p) Asbestos Report:

N/A

1.2 Exhibits to Lease:

Exhibit A - Community Business Enterprises  
Form

Exhibit B - Tenant Estoppel Certificate

Exhibit C - Subordination, Non-disturbance  
and Attornment Agreement

Exhibit D – Request for Notice

## 2. PREMISES.

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1.

(b) Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Base Rent in the event the measured square footage exceeds the amount represented by Landlord.

## 3. COMMON AREAS. Intentionally Omitted

## 4. COMMENCEMENT AND EXPIRATION DATES.

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date as stipulated in Item (e) of the Basic Lease Provisions.

(b) Option to Renew. Tenant shall have the option to renew this Lease for a period of five (5) years under the same terms and conditions, except that the rental rate shall be adjusted to ninety-five percent (95%) of the average fair rental value of similar office space within a 3 mile radius of the subject building. If Landlord and Tenant are unable to reach an agreement on the fair rental value, then both parties shall equally split the cost of a third-party appraisal. The fair rental value determined by the third party appraisal report shall be binding on Tenant and Landlord as the new rental rate upon commencement of the renewal term.

Tenant, by Chief Administrative Office letter, shall notify Landlord in writing not less than 60 days prior to expiration of the Lease term of Tenant's intention to exercise its option. The actual exercise of the option shall be only by the Board of Supervisors of the County of Los Angeles.

(c) Termination Right. If the Commencement Date has not occurred within 90 days from the Projected Commencement Date, subject to Force Majeure Delays as provided in Section 23 hereof, Tenant may thereafter, at any time before the Commencement Date occurs, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.



(d) Early Possession. Intentionally Omitted.

(e) Early Termination. Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than 120 days prior written notice executed by the Chief Administrative Officer of Tenant.

5. RENT. The first full calendar month's Rent shall be due and payable within 30 days of Tenant's Acceptance of the Premises in the total amount shown in Item (i) of the Basic Lease Provisions. A monthly installment in the same amount, subject to the adjustments described herein, shall be due and payable without demand on or before the first day of each calendar month succeeding the Commencement Date during the Term, except that Rent for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis. Landlord shall file a Payment Voucher annually therefor, during the month of June, with the Auditor of the County of Los Angeles (the "County").

(a) CPI. From and after the 1st anniversary of the Commencement Date, on the first day of the first full calendar month thereafter (the "Adjustment Date") and on every anniversary of the Adjustment Date thereafter, Base Rent shall be adjusted by applying the CPI Formula set forth below.

(b) CPI Formula. The Index means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County, CA area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "Basic Index" shall be the Index published for the month the Lease commences. The "CPI Formula" means Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Basic Index.

If the Index is changed so that the Index differs from that used as of the Commencement Date of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) Illustration of CPI Formula. The formula for determining the new rent shall be as follows:

$$\frac{\text{New Index}}{[\text{Basic Index}]} \times \text{Base Rent} = \text{New Monthly Base Rent}$$

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase of less than three percent (3%) nor more than six percent (6%) per year of the Base Rent of \$16,899.75 (i.e. not less than \$507.00 nor more than \$1,014.00 per month, per annual adjustment). In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 90 days written notice from Landlord or 90 days written notice from the Chief Administrative Officer of Tenant. All of the terms and provisions of this Lease shall be applicable during any holdover period, except that Tenant shall pay to Landlord, as monthly rent for the period of any holdover, an amount equal to one hundred twenty percent (120%) of the prevailing monthly Base Rent (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises and the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements.

Landlord shall promptly, but in any event within 10 days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material Default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within 10 days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Premises, provided insurance proceeds are available to repair the damages.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at 10% per annum, from the Base Rent next due as a charge against the Landlord.

## 10. REPAIRS AND MAINTENANCE

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) is in reasonable good working order and condition; (ii) the Premises is free of the presence of any Hazardous Materials (as hereinafter defined) and (iii) Landlord has not received any notice from any governmental agency that the Premises is in violation of any law or regulation.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all structural exterior and interior walls, floors, ceilings, roof, concealed and exposed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) mechanical (including HVAC), electrical, plumbing, sewer, fire/life safety systems and fire extinguishers serving the Building (iii) the exterior windows of the Building and window coverings; and (iv) the parking facilities and landscaping at the Premises. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to: (1) the floor covering; and (2) doors. Without limiting the foregoing, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair or replacement of lamps, tubes, low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be at least equal in quality, value and utility to the original work or installation, (b) be in accordance with all laws.

(c) Tenant's Right to Repair. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than 5 days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at 10% per annum.

If not reimbursed by Landlord within 10 days, Tenant shall be entitled to deduct from Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

## 11. SERVICES AND UTILITIES.

Landlord shall be responsible for providing the following services and utilities to the Premises, at its sole cost and expense:

(a) HVAC. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Building for normal office purposes to a standard comparable to other first-class buildings in the area in which the Premises is located.

(b) Electricity. Landlord shall furnish to the Premises an amount of electric current comparable to other first-class buildings in the area in which the Premises is located for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels necessary for Tenant to utilize such capacity in the Building.

(c) Elevators. N/A

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Gas & Heat contracts and charges.

(f) Electricity contracts and charges.

(g) Waste and trash removal.

(h) Access. Landlord shall furnish to Tenant's employees and agents access to the Building on a 7 day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

Tenant shall be responsible for the following services and utilities to the Premises, at its sole cost and expense:

(a) Telecommunications contracts and charges.

(b) Janitorial services.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises rendered untenantable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

### 13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Default") shall constitute a material default and breach of this Lease by Tenant:

(i) the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

(ii) the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(c) 19 and 20(b), Landlord shall be in default in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within 5 days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(c)) ; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such 5 day period, Landlord shall not be deemed to be in default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion.

If the default by Landlord ("Landlord Default") is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of 10% per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. TENANT ASSIGNMENT. Tenant may not assign, or otherwise transfer this Lease without first obtaining Landlord's prior consent: provided, however, no such assignment, or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

#### 16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

#### 17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Premises as a result of any negligent act or omission or willful misconduct of Tenant or its employees or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees.



(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

## 19. INSURANCE.

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All liability and property damage and other casualty policies of Tenant shall be written as primary policies, not contributing with, and not in excess of coverage which Landlord may carry.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, as required.

Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

(e) Tenant's Insurance. During the term of this Lease, Tenant shall maintain the following insurance:

(i) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000 and (3) personal and advertising injury of \$1,000,000.

(ii) Personal Property Insurance.

Failure by Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease. Tenant shall have the right to use its self-insurance programs to comply with the insurance requirements herein.

## 20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of exclusive reserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 14 and Sections 9 and 17 in the event of casualty or condemnation) Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective 30 days thereafter or (b) deduct from the Base Rent thereafter accruing hereunder an amount each month equal to \$75 per parking space.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects.

As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant or the Premises.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials on the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit "B" attached hereto and incorporated herein by this reference, but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. REFURBISHMENT WORK.

(a) Within 120 days of the full execution of this Lease, Landlord shall complete the following Refurbishment Work at its sole cost and expense:

- (i) HVAC system to be serviced and balanced.
- (ii) Lighting within the stairway and outside the Building to be upgraded.
- (iii) Second floor threshold to be replaced.
- (iv) Dutch doors to be installed at the reception station.
- (v) New carpet and paint to be installed based on Tenant's specifications.
- (vi) Existing wallpaper to be removed.

(b) The parties agree that the cost of new carpet shall not exceed \$45,000 and the estimated time for completion of the Refurbishment Work is 120 days from the date the Lease is fully executed (the "Estimated Completion Date"). The Refurbishment Work must be at least equal in quality, value and utility to the original work, materials and/or installation and be in accordance with all laws.

(c) Completion may be delayed by:

- (i) Acts or omissions of Tenant, or
- (ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or
- (iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or
- (iv) Any war or declaration of a state of national emergency, or
- (v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Premises.

(d) If Landlord fails to complete the Refurbishment Work within 30 days from the Estimated Completion Date, which period shall be extended for a reasonable time for the delays enumerated above, Tenant may, at its option

(i) Cancel the Lease upon 30 days written notice to Landlord; or

(ii) Upon 30 days written notice to Landlord, assume the responsibility for performing the Refurbishment Work itself.

(e) If Tenant elects to perform the Refurbishment Work pursuant to this Section 23, then:

(i) Tenant, its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of performing the Refurbishment Work and for any other purposes related thereto; and

(ii) Rent shall be reduced by Tenant's total expense in performing the Refurbishment Work, including without limitations any financing charges for capital and a reasonable amount for Tenant's administrative costs, and including interest at the rate of 10%. The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's total expense shall be fully amortized in equal monthly amounts over 3 years.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

## 25. SUBORDINATION AND MORTGAGES.

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit "C" attached hereto and incorporated herein by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant, in the form of Exhibit "C" attached hereto and incorporated herein by this reference, within thirty (30) days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Exhibit "D" attached hereto and incorporated herein by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such Default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises during the Term of this Lease, subject to the terms and conditions of this Lease.

## 29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Exhibit "A" attached hereto and incorporated herein by this reference.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Administrative Officer of the County or its delegee (the "Chief Administrative Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.



Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(iii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, Lessee hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing other than bond and certificate of participation financing.

(iv) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. TAXES. Landlord shall pay promptly all real property taxes, assessments, and special assessments which may be levied or assessed against the Premises during the term of this Lease or any renewal or holdover period, thereof.

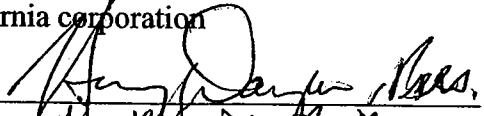
In the event Landlord fails or refuses to pay any or all taxes or assessments when due, then Landlord shall have materially defaulted on this provision of the Lease and Tenant shall give Landlord at least thirty days' advance written notice of its intent to pay such taxes and/or assessments and deduct the respective payment amount from future rental payments as a charge against the Landlord.

33. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County, if applicable, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

IN WITNESS WHEREOF this Lease has been executed the day and year first  
above set forth.

LANDLORD:

1100 EDGEWATER, INC.  
a California corporation

By:   
Name: Henry Danton  
Its: President

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

TENANT:

COUNTY OF LOS ANGELES  
a body politic and corporate

By: \_\_\_\_\_  
Name: Michael D. Antonovich  
Mayor, Board of Supervisors

ATTEST:

Sachi A. Hamai  
Executive Officer-Clerk  
of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.  
County Counsel

By:   
Deputy County Counsel

## EXHIBIT A

### COMMUNITY BUSINESS ENTERPRISE FORM

**INSTRUCTIONS:** All Lessors shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

\*Corporation, Partnership, etc.

#### MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS			
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
<b>TOTAL</b>					
Women*					

\*Should be included in counts above and reported separately)

#### PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		
American Indian/Alaskan Native		
All Others		
<b>TOTAL</b>		
Women*		

\*Should be included in counts above and reported separately

**CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM**

Is your firm currently certified as a minority owned business firm by the:

yes

No

State of California?

City of Los Angeles?

Federal Government?

**WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.**

Initial

Initial here if applicable

SIGNED:

TITLE:

DATE:

EXHIBIT B

**TENANT ESTOPPEL CERTIFICATE**

To: [Insert name of party to rely on document]

Attn: \_\_\_\_\_

Re:    Date of Certificate: \_\_\_\_\_  
      Lease Dated: \_\_\_\_\_  
      Current Landlord: \_\_\_\_\_  
      Located at: \_\_\_\_\_  
      Premises: \_\_\_\_\_  
      Commencement Date of Term: \_\_\_\_\_  
      Expiration Date: \_\_\_\_\_  
      Current Rent: \_\_\_\_\_

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1.     Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.

2.     (a)    A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.

      (b)    The current Rent is set forth above.

      (c)    The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.

      (d)    Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building, or to use any parking.

      (e)    Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).

      (f)    Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as expressly set forth in the Lease.

3.     (a)    The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

      (b)    To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease which has not been cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord to date for improvements to the Premises have been paid in full and all of Landlord's obligations with respect to tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.  
County Counsel

COUNTY OF LOS ANGELES,  
a body politic and corporate

By: \_\_\_\_\_  
Amy M. Caves  
Deputy County Counsel

By: \_\_\_\_\_  
William L. Dawson  
Deputy Director of Real Estate

EXHIBIT C

SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENMENT AGREEMENT

AND WHEN RECORDED MAIL TO: )

County of Los Angeles )

Chief Administrative Office )

Real Estate Division )

222 South Hill Street )

3rd Floor )

Los Angeles, California 90012Space above for Recorder's Use

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SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENMENT AGREEMENT

**NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), \_\_\_\_\_ ("Borrower") and \_\_\_\_\_, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.



## Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in section 3 hereof.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender:

\_\_\_\_\_  
\_\_\_\_\_

To Borrower:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

To Tenant:

County of Los Angeles  
Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

APPROVED AS TO FORM

RAYMOND G. FORTNER, JR.  
County Counsel

By: \_\_\_\_\_  
Amy M. Caves  
Deputy County Counsel

By: \_\_\_\_\_  
William L. Dawson  
Deputy Director of Real Estate

BORROWER:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LENDER: [Insert name of Lender],  
By: \_\_\_\_\_

EXHIBIT D

**REQUEST FOR NOTICE**

**RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:**

County of Los Angeles  
Chief Administrative Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

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**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Administrative Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

"LENDER:

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_ a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

WITNESS my hand and official seal

Signature \_\_\_\_\_

My commission expires \_\_\_\_\_.

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